CARLTON TRAIL REGIONAL COLLEGE
FINANCIAL STATEMENTS
JUNE 30, 2012

INDEPENDENT AUDITOR'S REPORT

To the Board
Carlton Trail Regional College

We have audited the accompanying financial statements of Carlton Trail Regional College, which comprise the statement of financial position as at June 30, 2012, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of Carlton Trail Regional College as at June 30, 2012, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

EJC Dudley + Co

Wynyard, Saskatchewan
September 18, 2012

EJC DUDLEY & CO.
Chartered Accountants

Statement 1

Carlton Trail Regional College
Statement of Financial Position
as at June 30, 2012

	2012			2011
	Operating Fund	Capital Fund	Total	Total
Assets				
Current Assets				
Cash	$ 1,566,702	$ 84,102	**$ 1,650,804**	$ 1,762,570
Accounts receivable (Note 3)	306,964	-	**306,964**	444,898
Inventories	21,130	-	**21,130**	17,120
Prepaid expenses	83,005	-	**83,005**	33,041
	1,977,801	84,102	**2,061,903**	2,257,629
Non-current Assets				
Capital assets (Note 4)	-	5,039,833	**5,039,833**	5,034,890
	$ 1,977,801	$ 5,123,935	**$ 7,101,736**	$ 7,292,519
Liabilities				
Current Liabilities				
Accrued salaries and benefits	$ 227,610	$ -	**$ 227,610**	$ 183,419
Accounts payable and accrued liabilities (Note 6)	443,146	-	**443,146**	315,135
Unearned revenue (Note 7)	660,770	-	**660,770**	592,677
	1,331,526	-	**1,331,526**	1,091,231
Net Assets				
Invested in capital assets	-	5,039,833	**5,039,833**	5,034,890
Restricted (Statement 3)	68,180	84,102	**152,282**	481,695
Unrestricted	578,095	-	**578,095**	684,703
	646,275	5,123,935	**5,770,210**	6,201,288
	$ 1,977,801	$ 5,123,935	**$ 7,101,736**	$ 7,292,519

The accompanying notes form an integral part of these financial statements.

APPROVED BY THE BOARD

Carlton Trail Regional College
Statement of Operations
for the year ended June 30, 2012

	Operating Fund			Capital Fund		Totals	Totals
	Budget (Note 9)	2012	2011	2012	2011	2012	2011
Revenues (Schedule 1)							
Provincial Government	$ 4,653,500	$ 4,865,466	$ 4,783,774	$ 16,000	$ 122,829	$ 4,881,466	$ 4,906,603
Federal Government	503,500	482,979	519,412	-	-	482,979	519,412
Other revenue	953,500	1,313,733	1,372,255	-	-	1,313,733	1,372,255
	6,110,500	6,662,178	6,675,441	16,000	122,829	6,678,178	6,798,270
Expenses (Schedule 2)							
Agency contracts	488,500	582,902	828,189	-	-	582,902	828,189
Amortization	-	-	-	240,923	152,559	240,923	152,559
Equipment	167,000	179,747	162,102	-	-	179,747	162,102
Facilities	410,000	423,369	372,196	-	-	423,369	372,196
Information technology	61,000	44,821	53,967	-	-	44,821	53,967
Operating (Schedule 3)	858,000	950,982	999,599	-	-	950,982	999,599
Personal services	4,126,000	4,361,977	4,116,737	-	-	4,361,977	4,116,737
Loss on disposal of capital asset (Note 4)	-	-	-	324,535	-	324,535	-
	6,110,500	6,543,798	6,532,790	565,458	152,559	7,109,256	6,685,349
(Deficiency) excess of revenues over expenses	$ -	$ 118,380	$ 142,651	$ (549,458)	$ (29,730)	$ (431,078)	$ 112,921

The accompanying notes form an integral part of these financial statements.

Carlton Trail Regional College
Statement of Changes in Net Assets
for the year ended June 30, 2012

	2012				2012	2011
	Capital Fund	Operating Fund				
	Invested in capital assets	Restricted Externally	Restricted Internally	Unrestricted	Total	Total
Net assets, beginning of year	$ 5,034,890	$ 171,801	$ 309,894	$ 684,703	**$ 6,201,288**	$ 6,088,367
(Deficiency) excess of revenues over expenses	(549,458)	-	-	118,380	(431,078)	112,921
Interfund transfers						
Invested in capital assets	570,401	(171,801)	(226,792)	(171,808)	-	-
Internally and externally restricted	(16,000)	16,000	53,180	(53,180)	-	-
Net assets, end of year	$ 5,039,833	$ 16,000	$ 136,282	$ 578,095	**$ 5,770,210**	$ 6,201,288

Restricted details: (Note 8)

	Beginning Balance	to Net Assets	from Net Assets	Ending Balance
Internally Restricted				
Information technology	$ 21,894	$ -	$ 21,894	$ -
Professional development	-	38,180	-	38,180
Facilities	273,000	-	204,898	68,102
Vehicles	15,000	15,000	-	30,000
	309,894	53,180	226,792	136,282
Externally Restricted				
Humboldt Administration/Training Facility	87,372	16,000	87,372	16,000
Sustaining Capital Funding	84,429	-	84,429	-
	$ 481,695	$ 69,180	$ 398,593	$ 152,282

The accompanying notes form an integral part of these financial statements.

Carlton Trail Regional College
Statement of Cash Flows
for the year ended June 30, 2012

	2012	2011
Cash flows from (used in) operating activities		
(Deficiency) excess of revenues over expenses	$ (431,078)	$ 112,921
Amortization of capital assets	240,923	152,559
Loss on disposal of capital assets	324,535	-
	134,380	265,480
Decrease (Increase) in accounts receivable	137,934	(57,793)
(Increase) decrease in inventories	(4,010)	2,895
Increase in prepaid expenses	(49,964)	(12,374)
Increase (decrease) in accrued salaries and benefits	44,191	(20,807)
Increase in accounts payable and accrued liabilities	128,011	94,317
Increase (decrease) in unearned revenue	68,093	(126,066)
Cash provided by operating activities	458,635	145,652
Cash flows used in investing activities		
Purchase of capital assets	(570,401)	(249,815)
Cash used in investing activities	(570,401)	(249,815)
Net decrease in cash	(111,766)	(104,163)
Cash, beginning of year	1,762,570	1,866,733
Cash, end of year	$ 1,650,804	$ 1,762,570

The accompanying notes form an integral part of these financial statements.

CARLTON TRAIL REGIONAL COLLEGE
Notes to the Financial Statements
for the year ended June 30, 2012

1. PURPOSE AND AUTHORITY

The Carlton Trail Regional College (College) offers educational services and programs under the authority of Section 14 of *The Regional Colleges Act*.

The Board of the Carlton Trail Regional College is responsible for administering and managing the educational affairs of the College in accordance with the intent of *The Regional Colleges Act* and its regulations.

2. SIGNIFICANT ACCOUNTING POLICIES

Pursuant to standards established by the Public Sector Accounting Board, the College is classified as a government not-for-profit organization. These financial statements have been prepared in accordance with Canadian generally accepted accounting principles applicable to not-for-profit entities and include the following significant policies:

(a) **Fund Accounting**

The accounts of the College are maintained in accordance with the principles of fund accounting. For financial reporting purposes, accounts with similar characteristics have been combined into the following major funds:

(i) Operating Fund

The operating fund consists of those revenues and expenses relating to the general operations of the College.

(ii) Capital Fund

The capital fund reflects the unamortized capital assets of the College and the equity of the College in capital assets, after taking into consideration any associated long term debt. The capital fund consists of transfers and donations designated for capital purposes by the contributor, net of the annual amortization expense. Also included in the capital fund are the appropriations for future capital expenditures.

(b) **Revenue Recognition**

The College follows the restricted fund method of accounting for grants. Restricted transfers related to general operations are recognized as revenue of the operating fund in the year in which the related expenses are incurred. Transfers restricted for capital assets are recognized as revenue of the capital fund when received or receivable.

Unrestricted operating transfers are recognized as revenue of the operating fund when received or receivable. Tuition and fee revenue is recognized as the course instruction is delivered. Revenue from contractual services is recognized as the service is delivered.

(c) **Capital Assets**

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Amortization is charged on a straight-line basis over the estimated useful lives of the assets for the following terms, and is reported as an expense in the capital fund:

Buildings	20 years
Furniture and Equipment	3 to 5 years
Leasehold Improvements	Term of Lease or estimated useful life

(d) **Inventories**

Inventories are recorded at the lower of cost and net realizable value.

(e) **Use of Estimates**

These statements are prepared in accordance with Canadian generally accepted accounting principles. These principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates. Differences are reflected in current operations when identified.

(f) **Financial Instruments**

The College's financial instruments and their classification are as follows:

Financial Instrument	Classification
Cash and temporary investments	Held for trading
Accounts receivable	Loans and receivables
Accrued salaries and benefits	Other liabilities
Accounts payable and accrued liabilities	Other liabilities

Held for trading financial assets and liabilities are measured at fair value. Changes in the fair value are recognized in the Statement of Operations and Changes in Net Assets. Loans and receivables and other financial liabilities are measured at amortized cost. Due to their short term nature, the amortized cost of these instruments approximates their fair value.

(g) **Accounting Policy Developments**

In September 2010, the Public Sector Accounting Board approved an amendment to the introduction to the Public Sector Accounting Handbook. Effective for fiscal years beginning on or after January 1, 2012, government not-for-profit organizations are directed to use either the public sector accounting standards or public sector accounting standards for government not-for-profit organizations. The College is currently assessing the appropriateness and potential impact of the change in accounting standards on its financial statements.

3. ACCOUNTS RECEIVABLE

Accounts receivable are composed of the following:

	2012	2011
Federal Government	$ 30,042	$ 19,183
Saskatchewan Advanced Education	8,164	241,712
Provincial Government – other	25,949	65,993
Other	292,809	138,010
Allowance for doubtful accounts	(50,000)	(20,000)
	$306,964	$444,898

The College is exposed to credit risk from the potential non-payment of accounts receivable. The majority of the College's receivables are from the Provincial and Federal governments or have subsequently been collected therefore credit risk is minimal.

4. CAPITAL ASSETS

	Cost	Accumulated Amortization	2012 Net Book Value	2011 Net Book Value
Land	$ 600	$ 0	$ 600	$ 600
Buildings	924,184	391,114	533,070	574,682
Construction in Progress	0	0	0	3,962,627
Furnishings and Equipment	1,691,209	1,370,778	320,431	142,942
Leasehold Improvements	4,621,292	435,560	4,185,732	354,039
	$7,237,285	$2,197,452	$5,039,833	$5,034,890

Construction of a new facility in Humboldt was substantially completed January 2012. The college took occupancy in February 2012. Final construction costs are projected at $4,275,000.

Carlton Trail Regional College's interest in the former high school in Humboldt was turned over to the Horizon School Division #205 as of February 29, 2012. This asset is showing a loss on disposal of $324,535 in this fiscal year.

5. CONTRACTUAL OBLIGATIONS

The College is obligated under the following lease agreements:

(a) Humboldt Facility: An open-ended lease (50 Years) with an accompanying "Destination Centre Operating Agreement" specifying payment of operating costs only.

(b) Punnichy Facility: A one-year lease extension expired December 31, 2011 specifying payment of operating costs only. Two-year extension in progress to December 31, 2013.

(c) Watrous Facility: An open-ended lease (99 years) with a one-year operating agreement expired December 31, 2011 specifying payment of operating costs only. Two-year extension in progress to December 31, 2013.

(d) Wynyard Facility: A one-year lease extension expired December 31, 2011 specifying payment of operating costs only. Two-year extension in progress to December 31, 2013.

(e) Equipment: The College is committed to an annual lease payment of $14,364 plus sales taxes in respect of photocopier equipment. The lease expires January 31, 2014.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are composed of the following:

	2012	2011
Scholarship Trust	$ 53,135	$ 6,344
Fireman Training Trust	3,130	1,726
Trade Payables	386,881	307,065
	$443,146	$315,135

7. UNEARNED REVENUE

Unearned revenue consists of transfers received to carry out specific activities in excess of the expenses incurred on those activities at the end of the fiscal year as follows:

	2012	2011
Saskatchewan Advanced Education	$347,847	$535,027
Other	312,923	57,650
	$660,770	$592,677

8. RESTRICTIONS ON NET ASSETS

The Board of Directors of Carlton Trail Regional College have placed internal restrictions on $136,282 (2011 - $309,894) of unrestricted net assets to be used for future expenditures. These internally restricted amounts are not available for other purposes without approval of the Board of Directors.

$171,808 (2011 - $82,650) was transferred from unrestricted operating funds to capital assets for the purchase of information technology equipment, vehicles, renovations and office equipment.

External restrictions consists of $16,000 (2011 - $171,801) for Humboldt Education Centre and sustaining capital funding.

9. BUDGET AMOUNTS

The budget submitted with the Business Plan was prepared by Regional College management with Board approval given on June 20, 2011. Ministerial approval was received July 21, 2011.

10. RELATED PARTY TRANSACTIONS

These financial statements include transactions with related parties. The College is related to all Saskatchewan Crown Agencies such as ministries, corporations, boards and commissions under the common control of the Government of Saskatchewan. Also, the College is related to non-Crown enterprises that the Government jointly controls or significantly influences.

Routine operating transactions with related parties are recorded at the rates charged by those organizations and are settled on normal trade terms.

	2012	2011
University of Saskatchewan	$ 2,413	$ 4,208
SaskTel and SaskTel Mobility	56,286	52,649
SaskPower	22,828	28,367
SaskEnergy	16,646	20,721
Saskatchewan Institute of Applied Science and Technology	508,122	682,190
Ministry of Central Services	35,245	40,091
St. Peter's College	220	190,988
Saskatchewan Workers' Compensation Board	26,571	6,318
Horizon School Division #205	53,881	59,800
Ministry of Finance	6,165	4,421
Saskatchewan Government Insurance	3,327	3,327
Saskatchewan Tourism Education Council	3,500	0

Other transactions with related parties and amounts due to/from them are described separately in the financial statements and the notes thereto.

11. EMPLOYEE FUTURE BENEFITS

Employees of the College participate in one of four pension plans. Teachers and other employees holding a teaching certificate participate in the Teacher's Superannuation Plan (TSP) or the Saskatchewan Teacher's Retirement Plan (STRP) which are administered by the Teacher's Superannuation Commission and the Saskatchewan Teachers' Federation respectively. The Board has no financial obligation to TSP or STRP. Eligible employees contribute to TSP and STRP for their current service. No matching contribution is made by the College. The General Revenue Fund is responsible for the required employer contributions of STRP and for the financial obligations of the TSP. Board approved employees contribute to a self-directed College matched RRSP. All other employees participate through Municipal Employee's Pension Plan (MEPP) which is a multi-employer defined benefit plan.

The College's financial obligation to the MEPP is limited to making required payments to match amounts contributed by employees for current services. Pension expense for the year amounted to $187,986 (2011-$174,226).

12. CONTINGENT LIABILITIES

In the normal course of operations, the College becomes involved in various claims and litigation. While the final outcome with respect to claims and litigation pending cannot be predicted with certainty, it is the opinion of management that their resolution will not have a material adverse effect on the College's financial position or results of operations.

13. COMPARITIVE FIGURES

Certain prior year's comparative figures have been reclassified or adjusted to conform to the current year's basis of presentation.

Schedule 1

Carlton Trail Regional College
Schedule of Operating Fund Revenues by Function
for the year ended June 30, 2012

	2012										
	General	Skills Training		Basic Education		University	Services		2012	Budget	2011
		Credit	Non-credit	Credit	Non-credit	Credit	Learner Support	Counsel	Total	(Note 9)	Total
Provincial Government											
Advanced Education											
Operating grant	$ 2,128,500	$ -	$ -	$ -	$ -	$ -	$ 50,500	$ 173,000	$ 2,352,000	$ 2,340,500	$ 2,248,091
Program payments	-	909,960	-	542,791	95,560	-	-	-	1,548,311	1,723,500	1,393,532
Contracts	-	73,394	-	-	-	-	-	-	73,394	-	-
Other	-	-	-	-	325,807	-	111,709	65,300	502,816	193,000	796,245
	2,128,500	983,354	-	542,791	421,367	-	162,209	238,300	4,476,521	4,257,000	4,437,868
Other Provincial	14,203	104,770	8,600	166,540	51,415	-	9,618	33,799	388,945	396,500	345,906
	2,142,703	1,088,124	8,600	709,331	472,782	-	171,827	272,099	4,865,466	4,653,500	4,783,774
Federal Government											
Interest	26	-	-	-	-	-	-	-	26	-	-
Rents	6,600	-	-	-	-	-	-	-	6,600	6,500	6,375
Projects	-	-	-	-	-	-	476,353	-	476,353	496,000	511,037
	6,626	-	-	-	-	-	476,353	-	482,979	503,500	519,412
Other Revenue											
Admin recovery	4,879	3,653	-	-	-	-	-	-	8,532	9,000	5,933
Contracts	-	125,006	82,510	48,566	95,625	-	-	-	351,707	25,000	357,767
Interest	23,378	-	-	-	-	-	-	-	23,378	25,000	21,653
Rents	3,715	2,201	-	1,080	-	-	133	-	7,129	15,000	13,158
Resale items	247	100,918	7,638	-	975	-	-	-	109,778	145,000	128,486
Tuitions	-	731,833	62,292	-	485	-	8,642	-	803,252	729,000	805,714
Other	7,688	2,175	-	114	-	-	-	-	9,957	5,500	9,544
	39,887	965,786	152,440	49,760	97,085	-	8,775	-	1,313,733	953,500	1,372,255
Total revenues	2,189,216	2,053,910	161,040	759,091	569,867	-	656,955	272,099	6,662,178	6,110,500	6,675,441
Total expenses (Schedule 2)	2,419,711	1,837,509	104,812	724,565	469,084	-	738,555	249,562	6,543,798	6,110,500	6,532,790
(Deficiency) excess of revenues over expenses	$ (230,495)	$ 216,401	$ 56,228	$ 34,526	$ 100,783	$ -	$ (81,600)	$ 22,537	$ 118,380	$ -	$ 142,651

The accompanying notes form an integral part of these financial statements.

Schedule 2

Cariton Trail Regional College
Schedule of Operating Expenses by Function
for the year ended June 30, 2012

	2012								2012	Budget (Note 9)	2011
	General	Skills Training		Basic Education		University	Services				
		Credit	Non-credit	Credit	Non-credit	Credit	Learner Support	Counsel	Total	Total	Total
Agency contracts	$ 240	$ 488,159	$ 45,686	$ -	$ 30,297	$ -	$ 18,520	$ -	$ 582,902	$ 488,500	$ 828,189
Equipment	80,017	77,691	1,185	8,565	5,993		2,658	3,638	179,747	167,000	162,102
Facilities	165,295	170,452	930	77,944	7,098		1,650		423,369	410,000	372,196
Information technology	10,145	3,287		9,141	8,796		13,452	-	44,821	61,000	53,967
Operating (Schedule 3)	491,193	260,620	11,218	76,416	91,711		9,913	9,711	950,982	858,000	999,599
Personal services	1,672,821	837,100	45,793	552,499	325,189		692,362	236,213	4,361,977	4,126,000	4,116,737
	$ 2,419,711	$ 1,837,509	$ 104,812	$ 724,565	$ 469,084	$ -	$ 738,555	$ 249,562	$ 6,543,798	$ 6,110,500	$ 6,532,790
			$ 1,942,321		$ 1,193,649			$ 988,117			

The accompanying notes form an integral part of these financial statements.

Schedule 3

Carlton Trail Regional College
Schedule of Operating Expenses
for the period ended June 30, 2012

	2012 Total	Budget (Note 9) Total	2011 Total
Advertising	$ 83,472	$ 62,000	$ 55,465
Association fees and dues	37,703	37,000	35,526
Bad debts	33,757	1,000	22,779
Financial services	8,775	1,000	8,202
In-service	23,883	37,500	(7,809)
Insurance	31,938	29,000	28,040
Materials and supplies	227,596	177,000	151,899
Postage freight and courier	19,223	34,500	19,925
Printing and copying	33,653	3,000	31,570
Professional services	104,454	119,000	252,327
Resale items	129,736	113,500	168,923
Subscriptions	4,553	5,000	2,737
Telephone and fax	59,276	61,500	54,227
Travel	115,575	155,000	136,925
Other	37,388	22,000	38,863
	$ 950,982	$ 858,000	$ 999,599

The accompanying notes form an integral part of these financial statements.